

## Presentation to Law Amendments

Nova Scotia Power Rate Hike Restrictions

*Public Utilities Act (Amended) – Bill No. 212 – October 19, 2022*

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Good morning, everyone and thank you for the opportunity to present to you today. My name is Patrick Sullivan, and I am the President and CEO of the Halifax Chamber of Commerce. The Halifax Chamber is an organization of over 1,800 members or over 68,000 employees, and as part of our strategic plan we work to provide the services our members need, events that will help them learn and we advocate for conditions in the economy that enhance their prosperity. New legislation was proposed on October 19<sup>th</sup> by the Minister of Natural Resources & Renewables, to make amendments to the Public Utilities Act, to restrict Nova Scotia Power Inc's (NSP) ability to raise rates past 1.8% a year, over the next two years, with exception of fuel and purchased power.

Many of our members are likely happy that their power rates will not increase dramatically during an inflationary period. In a recent survey from the Canadian Chamber of Commerce Data Lab, Rising Inflation, Recruitment & Retention, and Rising Costs (Debts & Inputs) were all listed as the biggest obstacles that Halifax businesses expect for the next three months. Having low predictable rates for the next two years is one less stress in their near-term operational planning. Despite this, there are many unintended consequences of the proposed legislation.

I will list our concerns:

1. The overstepping of the Nova Scotia Utilities and Review Board, an independent body whose mandate includes the regulation of public utilities including NS Power and the province's five municipal electric utilities to set rates and ensuring that consumers receive safe and reliable service at a reasonable price. The Board balances that responsibility with the need to ensure utilities are given a reasonable opportunity to earn a fair return on their investments. Without a reasonable return, investors would not be willing to invest in the utility. The Board determines rates using the cost-of-service method. This method is intended to set rates at a level that will allow a utility to recover reasonably incurred costs plus a reasonable profit. The total of the costs and profit is referred to as the revenue requirement. While several factors are involved in setting a fair and reasonable return, generally the Board sets a rate of return equal to the return investors could expect to receive on an investment of comparable risk elsewhere in the economy. So, what is the point of having this board and mandates if the government can just overstep them and impose whatever rate decision they like?
2. The question that remains unanswered is whether the government will allow NSP to increase their rates significantly after the two-year restriction period? The Bank of Canada forecast that it could take roughly two years to rein in inflation, however, there are many factors domestically and globally that could prolong that battle. Therefore, by the end of two-year restriction period, will the current provincial government allow a significant rate hike approximately seven months before the 2025 provincial election? I will let you draw your own conclusions, but once legislation like this is put in place it is very rarely repealed or rectified later as promised and we feel this legislation would likely follow that path.
3. Concern for the green targets that were laid out in the Environmental Goals and Climate Change Reduction Act. NSP has said that this measure threatens the company's ability to meet legislated greenhouse gas reduction targets that include ending the use of coal to generate electricity and generating 80 per cent of power from renewable sources by 2030. Despite these restrictions, the

Minister of Natural Resources and Renewables, expects NSP to meet their targeted environmental goals. It seems counterintuitive to ask more of NSP (climate goals and storm preparedness) while simultaneously reducing their financial capacity. Beyond simply the environmental consequences, our concern is that companies operating in Nova Scotia may reduce their business activity because the province is not meeting its climate targets.

4. The intervention in the province's established regulatory structure (NSUARB) sends a message to the business community that Nova Scotia is an unpredictable and unstable environment for investment. This is highlighted by the downgrading of Emera Inc. by the S&P Global rating agency. Capital markets and lenders may decide that Nova Scotia is not a reliable place to invest. The rising cost of capital and debt means the utility may have to defer or terminate plans and projects around its climate change initiatives and storm preparedness. Some have also speculated that if Emera is unable to secure the capital needed to participate in the Atlantic Loop, a proposed energy corridor that would connect the four Atlantic Provinces to hydroelectricity from Quebec and Labrador, that the \$2 billion of federal funding earmarked for the project could be in jeopardy if the project stalls. The province is sending the wrong signal with this legislation that Nova Scotia is a safe and reliable place for a business to invest in.
5. Finally, we are deeply concerned with a government interfering with a private company's finances despite having a lack of fiscal responsibility themselves. In the most recently published Provincial budget for 2021-22, the government projects a 6.6% increase in operating expenses next year, while suggesting NSP should limit themselves to 1.8% per year for two years after ten years of no nonfuel rate increases. The deficit for this fiscal year is expected to be -\$650M and projected to average over -\$360M a year for the next three years. Additionally, the projected net debt is forecasted to increase to \$22.9 billion by 2025-26. This is an increase of \$6.1 billions over a 4-year period or 8.3% a year and will result in a 40% debt to GDP ratio or 10% above the Ivany target of a debt to GDP ratio of 30%. To put it in perspective the provinces total deficit only increased by \$2 billion over the past 8 years growing at 1.68% a year over those years. Debt-servicing alone currently accounts for over 5.3% of our provincial budget or \$676M. Therefore, should the government be setting fiscal restrictions on a company that has proven to be a stable enterprise while seemingly having no fiscal guardrails of their own?

In summary, although we do have members that are happy about the cap on rates for the next two years, we and they are concerned about the longer-term implications. These implications include:

1. Overstepping the regulatory process by ignoring the decision of the NSUARB
2. Will the government interfere again after the two-year period before an election in 2025
3. The potential impact to meeting environmental and climate change targets, including potentially jeopardizing the Atlantic Loop project.
4. The impact on Nova Scotia's business attraction and opportunities for future investment
5. Issue of credibility from a government interfering with a private company's financials while having a lack of fiscal responsibility themselves.

Thank you very much for the opportunity to present to you today and I would be pleased to take questions.

# Recommendations regarding Bill 212 an Act to Amend the Public Utilities Act

## AFFORDABLE ENERGY COALITION

### Introduction

The Affordable Energy Coalition (AEC) is a group made up of individuals and community organisations committed to equitable and universal access to energy and eradicating energy poverty. Electricity is necessary to maintain adequate housing and for about 1/3 of Nova Scotia households provides the main source of heat. The AEC believes that equitable and universal access to electricity is a matter of human rights both in terms of equality and the right to housing.

We live in extraordinary, challenging times. Regarding NS Power rates we face two challenges – affordability and ensuring our electricity system helps us make the rapid transition to a zero carbon economy. Zero carbon electricity is fundamental to the transition to a zero carbon economy. It costs money to make the transition and it is vital that no one is left behind in the transition.

The extraordinary fact is that when we have accomplished the transition to a zero carbon economy, energy bills will be lower. In other words, the two challenges are inter-related. This is due to lower use of energy because of efficiency and efficient equipment like heat pumps to replace oil heat and because of lower use of energy as we electrify transportation and the dropping costs of renewables. The challenge is getting from here to there.

While saying it costs money to make the transition, I want to emphasize two key points:

1. **The main driver of the rapidly increasing electricity rate increases is fossil fuel pricing and NOT the cost of the transition to zero carbon system.**

This was true of the massive increase in electricity pricing over the first decade of the 2000's too, but many people falsely placed the blame on renewables and efficiency. The Ukraine war and its consequences have artificially driven up the world price of fossil fuels. The switch to renewables, efficiency and all the other elements of the transition does contribute to rising prices. But it's crucial to remember that it is not the main driver, by far.

2. **While electricity rates are being affected by rapidly rising fossil fuel costs, the cost of home heating fuel is going up even more rapidly.**

The fact is that switching from oil heating to highly efficient electric heat pumps both makes home energy much more affordable and it also cuts greenhouse gas emissions, even more so as we close coal plants. It is ironic that electricity rates get so much more attention than home oil and gas prices. That's because electricity is more heavily regulated so there is more public conversation about it.

## **The nature of energy poverty**

Nova Scotia has one of the highest rates of energy poverty in the country. The requested rise in electricity rates will only make this worse.

Energy poverty has a discriminatory impact on disadvantaged groups in our society including those living in poverty who are disproportionately comprised of women, single mothers, persons with disabilities and people of colour. It undermines people's right to housing because in the absence of lights, refrigeration and heat homes in Canada are not habitable.

Energy poverty in Nova Scotia occurs when people have unsustainable energy burdens and their access to energy is undermined. The fact is that low income households have precarious access to electricity now. Inadequate income is the primary reason for disconnection of electrical service. Arrears build up. Low income households are forced to use food banks or to stop buying medicine so they can pay electricity bills. Or they lose their electricity which means they can't store or prepare food or lead a normal life. In some cases they cannot heat their homes.

## **Concerns**

We have 3 concerns about the amendments proposed to the Public Utilities Act in Bill 212.

**1. The first is that there is no direct relief to low-income customers.**

We know that Nova Scotia has one of the highest levels of energy poverty in the country. Low and modest income Nova Scotians have struggled with energy bills for years. The coming increases in NS Power rates and the current high cost of oil bills means that the pain will be more acute.

**2. The second concern is that the 1.8% limit will undermine the transition to zero carbon energy society wide.**

The transition to zero carbon energy is essential to achieve lower bills in the long run and to do our part in reducing the devastating impacts of climate change like the extra wind force and storm surge from storms like Fiona. This government has legislated a closure of coal plants by 2030. This is laudable but we can't pause now on our journey in this direction.

**3. The third concern is that this Bill undermines the independent review process by UARB.**

Independent regulation by the UARB is important. It is a public process with experts reviewing proposed increases in the light of changing legislation and with an opportunity for members of the public to make comments. It's not perfect, but it improves the chances of the system remaining stable and effective and the chance that the laws established by government regarding goals like closing coal plants will be followed.

## **Solutions**

We will propose solutions to the 1<sup>st</sup> 2 concerns. But first we would like to make clear that we support 2 elements of the legislation:

- 1. We support the exemption of Demand Side Management from the 1.8% cap on expenses, in clause 3 of Bill 212.** The contract for Efficiency Services approved in September for the next

3 years includes dramatic increases in low income programming and it supports the transition to a zero carbon economy.

2. **We also support the proposed restrictions on profit to no more than 9.25% on no more than 40% equity thickness (in clause 4 of Bill 212) and no sharing of profit above the 9.25% cap (in clause 5 of Bill 212) and recommend these provisions be strengthened.** Our Opening Statement to the UARB regarding the Rate increase proposed stricter restrictions, including lowering the profit rate cap to 8%. The Consumer Advocate also supported a rejection of NSPI's proposed profit increases, backed up by expert testimony far more substantial than ours. We believe these measures will make a difference on affordability while making a small dent in the inequality that arises from excessive profits and rising rates.

### **RECOMMENDED CHANGES:**

We believe the best answer to the affordability crisis is to create a systematic program targetting low and modest income households with on bill energy credits to reduce energy poverty.

We believe this is much wiser than deferring the transition to zero carbon energy as this Bill does, in part, by eliminating financing for the transition, except for the very important exemption of Demand Side Management.

This view is expressed in our first two recommendations below, to address the 1<sup>st</sup> 2 concerns we have.

1. **Create a system of on-bill credits for low income customers so they can afford their electricity bills until lower bills are possible due to the transition to zero carbon energy.** It is puzzling to say the least, that Bill 212 does not address the issue of rates for lower income households. Many US utilities use a ratepayer funded system for on-bill credits to low income households, to cap their bills at 6% of income. Ontario adopted a ratepayer funded system several years ago and then changed it to a taxpayer funded system – the Ontario Electricity Support Program. Appendix A shows the legislation in the Ontario Energy Board Act that authorizes this system.

We recommend 2 changes to accomplish this. Either one or both together would work:

- (a) **Change Section 67 of the Public Utilities Act to enable the Board to consider rates that are different for low income households.** We proposed this in April when you were considering Bill 147. Here is what that could look like:
  - i. Amend Bill 212 by adding a clause changing Section 67 of the Public Utilities Act as follows, with the proposed amendments in bold:
 

**67 (1) Except as required for purposes of rate assistance programs to address energy poverty for low income domestic (residential) consumers, [a]**All tolls, rates and charges shall always, under substantially similar circumstances and conditions in respect of service of the same description, be charged equally to all persons and at the same rate, and the Board may by regulation declare what shall constitute substantially similar circumstances and conditions.

- (b) **Change Section 67 of the Public Utilities Act to enable the Board to recommend a system to address energy poverty for low income domestic (residential) consumers, including different options for financing the system.**

This is a new proposal that we did not present at the time Bill 147 was adopted. This would provide a better understanding of the costs and benefits of such a system to address energy poverty so that a good decision can be made about implementation.

- i. Amend Bill 212 by adding a clause adding a new subsection (2) to Section 67 of the Public Utilities Act to read as follows:

**67 (2) Notwithstanding subsection (1), the Board will conduct such research and direct NSPI to conduct such pilot programs as it deems appropriate, to determine the most effective program designed to reduce energy poverty for low income domestic (residential) consumers. This research shall consider alternative sources of financing for such a program such as general tax revenues or different rates paid by ratepayers. This research shall be conducted in cooperation with the Consumer Advocate, the Affordable Energy Coalition, Nova Scotia Power Incorporated and any other parties the Board deems appropriate. AND**

**Change the existing subsection 67 (2) to 67 (3).**

2. **Enable climate action and lower future energy costs by adding the costs of transition to a zero carbon electricity system to the list of exemptions to increases above 1.8% in clause 3**

To ensure the success of the transition to a zero carbon electricity system, it is essential that investments are made today. Otherwise, the goal of increasing renewables to 80% and closing coal plants by 2030 will not be achieved. Nova Scotians will not be able to benefit from the shift to a zero carbon economy where energy costs are much lower than they are now. Here is the specific recommendation:

- i. Amend Bill 212 by adding to Clause 3 the new Subsections (3) to Section 64A (3) of the Public Utilities Act to read:

**(3) costs related to a transition to a zero carbon electricity system**

3. **Strengthen the restrictions on profit:**

- (a) We would support making the changes in Clauses 4 and 5 apply to all general rate applications rather than only the current rate application.
- (b) We would also support a lower cap on profits of 8% and using an equity thickness of 35% with a cap of 40% as stated.

The current high cost of fossil fuels must not delay the transition to zero carbon electricity which will lower overall energy costs for consumers. It is also essential in this era of high inflation and given Nova Scotia's historically high levels of energy poverty that we adopt a systematic method of reducing bills for low and modest income Nova Scotians. We encourage you to adopt the changes we have proposed in order meet both challenges head on.

Respectfully submitted,  
Brian Gifford  
Chair, Affordable Energy Coalition

**APPENDIX:****Ontario Energy Board Act provisions for the Ontario Electricity Support Program  
Compiled by Dalhousie Legal Aid Service student Keita Szemok-Uto****Ontario Energy Board Act 1998**

- 36(2) Board may make orders approving or fixing just and reasonable rates for the sale of gas by gas transmitters
- 78(3) Board may make orders approving or fixing just and reasonable rates for the transmitting or distributing of electricity... as may be prescribed
- 79.2(1) The Minister shall make provision for rate assistance for rate-assisted consumers having regard to their economic circumstances, and where the minister makes such provision, shall do so out of the money provided for in subsection (4)
  - (4) money appropriated for those purposes by the Legislature (tax-funded)

**Regulations: Ontario Electricity Support Program (under the Ontario Energy Board Act 1998)**

- 3(1) Rate assistance shall be provided to rate-assisted consumers on a monthly basis
- 3(2) \$35 for Class A; \$40 for B; \$45 for C; \$51 for D; \$52 for E... up to \$113 for M

**Schedule 1: Classes of Rate-Assisted Consumers**

Class A: household income \$39-\$48k 3 persons; \$48-\$52k with 5 persons  
(it lists income brackets and household sizes for each of the classes from A to M)

...

Class M: household income under \$28k with 6+ persons, between \$28-\$39k with 7+ persons, etc. where the dwelling is heated primarily by electricity, or the account-holder or any member of their family living in the household is an Indigenous person, or the account-holder or any member of their household regularly uses, for medical purposes, an electricity-intensive medical device at the dwelling to which the account relates

October 31, 2022

Standing Committee on Law Amendments  
Office of the Legislative Counsel  
CIBC Building  
802-1809 Barrington Street  
PO Box 1116  
Halifax NS B3J 2X1  
(Via email)

**Re: Electricity Canada Concerns Over Bill 212, *Public Utilities Act (amended)***

Dear members of the Standing Committee on Law Amendments,

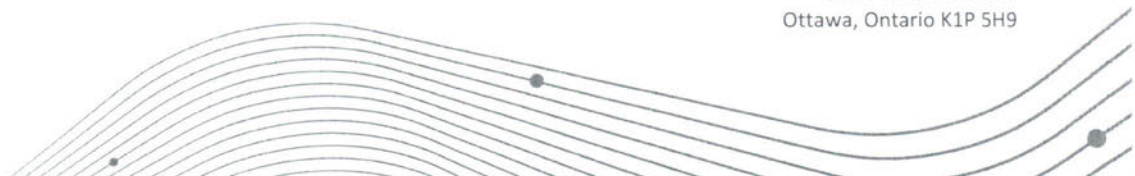
I am writing to you today to voice our industry's concerns over Bill 212, *Public Utilities Act (amended)*.

Electricity Canada is the national voice of Canada's evolving and innovative electricity business. Our members generate, transmit, and distribute electrical energy to industrial, commercial, residential, and institutional customers across Canada. Members include integrated electric utilities, independent power producers, transmission and distribution companies, power marketers, and system operators, who deliver electricity to all Canadians in every province and territory.

Our members focus on ensuring Canadians have access to safe, reliable, affordable electricity. Electricity utility members must be able to invest in and appropriately maintain electricity infrastructure to do this. Accordingly, our electricity members must be able to charge rates that are sufficient to fund such infrastructure and maintenance. The Nova Scotia Utility and Review Board is an independent agency that transparently weighs this requirement along with a multitude of other factors, carefully considers the evidence and submissions of proponents and interveners and applies its expertise to establish just and reasonable rates for each rate class and a just and reasonable return for a local electricity utility. Instead of this contextual approach, which is the norm in Canada, Bill 212 fixes a single multi-year fixed increase cap for all rate classes without a transparent balancing of factors that can provide residents of Nova Scotia and investors confidence in the result.

Also, based on Electricity Canada's experience across the country, Bill 212 sets the fixed rate increase cap so low at 1.8% that it will hinder the ability of electricity companies to meet the evolving energy needs of Nova Scotia.

Electricity systems across Canada are undergoing a period of rapid transition. Nova Scotia is no exception. The province's commitments to close coal-fired power plants and have 80% of electricity supplied by renewable sources by 2030, in addition to the federal government's commitment to a net zero grid by 2035, are significant drivers of this transition and require immediate investment. The Federal Government's *Healthy Environment, Healthy Economy* plan estimated that economy-wide decarbonization will require double or triple the amount of electricity by 2050. Demand will grow dramatically as transportation, home heating, and industrial processes are electrified. All this requires investment now to be ready to deliver the electricity Nova Scotians will need.







Electricity operators must also invest in climate adaptation to prepare for more severe and frequent extreme weather. More and more, "extreme" no longer means "rare." Hurricane Fiona is the most recent reminder of this in Nova Scotia. Elsewhere in Canada, severe windstorms, blizzards, and wildfires require infrastructure hardening to minimize damage. Extreme weather also drives electricity demand. High heat and extreme cold put additional pressure on the grid's capacity, as seen with record demand in Quebec and western Canada during recent periods of deep cold or high heat.

Despite increased transmission and distribution of electricity, greener generation and increasingly extreme weather, customers expect the electricity system to remain reliable and have a very low tolerance for power interruption. All this requires increased investment, and a 1.8% increase to rates, apart from fuel costs, over the next three years will not be sufficient.

The requirement for substantial electricity investment is not confined to Nova Scotia. Indeed, for Canada to achieve electrification on the scale required to meet Canada's 2035 goals, we will need hundreds of billions of dollars – and for the 2050 goal, likely more than a trillion dollars – in investment in generation, transmission, and distribution. This requires a regulatory and policy environment that encourages investment in a system that is reliable. It must be balanced against other interests, which is the core task of electricity regulators, including the Nova Scotia Utility and Review Board. That Board should hear the evidence (including the appropriate timing of the needed investments), apply its expertise and issue a decision. It is only based on that decision and the fact that it was arrived at transparently and independently of the day's politics that creates the confidence necessary for electricity investment to be made in Nova Scotia.

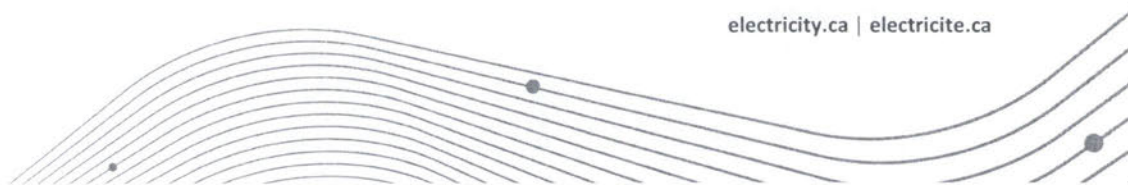
Expanding the grid needs to be done purposefully and methodically. This cannot be done through efficiencies alone and delaying investments will increase costs later. As we saw in Texas last year, avoiding investments today by a low rate increase cap creates situations where a system failure becomes more likely. There is also a false economy in delays: waiting will only increase the cost and urgency of future investments.

Thus, the bottom line is we need to make urgent investments in new infrastructure, refurbishments and maintenance operations to meet expected demand growth and decarbonize the electricity system. These requirements must be weighed transparently by an independent regulator in which customers and investors have confidence – not undermined by government fiat. The latter approach, adopted by Bill 212, puts the evolution and reliability of its electricity system at risk and should be left aside.

We encourage Nova Scotia to re-evaluate Bill 212 and leave the making of just and reasonable rates to the Board entrusted with that complex task.

Regards,

Francis Bradley  
President and CEO





## Ecology Action Centre Presentation on Bill 212

Public Utilities Act (amended)

Monday, October 31<sup>st</sup>, 2022

Jacob Thompson B.A.Sc. M.Sc.

We acknowledge we are gathered here today on the unceded and unsundered territory of the Mi'kmaq people, past, present, and future stewards of this land.

My name is Jacob Thompson, I am an Energy Coordinator at the Ecology Action Centre (EAC). I have a Bachelor of Applied Science degree from Acadia University with a focus in civil engineering, and a Master of Science from Saint Mary's University focusing on 100% decarbonization scenarios of electricity, heating/cooling, including both personal and freight transportation.

Today I will be speaking to both the concerns and hope I have for Bill 212, the Act to Amend Chapter 380 of the Revised Statutes, 1989, the Public Utilities Act.

Our focus at the EAC is ensuring Nova Scotians have clean, affordable, and reliable energy. The focus of this presentation to law amendments is to ask a constructively critical question about Clause 3, which sets out to limit the net rate increases to all rate classes to 1.8% over the next couple of years except fuel, purchased power, and DSM, which require an increase to improve reliability.

There are a lot of investments that need to be made by different stakeholders – including substantial investments from Nova Scotia Power and the government of Nova Scotia – to reach net zero targets, and ensure that Nova Scotia is doing its fair share towards goals of the Paris Agreement. We are concerned that with a rate increase restricted to 1.8 % over 2 years, the money needed investments in renewable technology, storage solutions such as batteries, work to both strengthen existing and build new transmission infrastructure which will be needed as other sectors decarbonize will not be available. To ensure that this transition can happen quickly, both demand side management and investment in renewables will be needed.

It is very important that all Nova Scotians can afford their power bills and recognize that the government is looking to protect all Nova Scotians from an increase on their bills; but I want to ask if this is the only way to protect Nova Scotians? Is there a better way that considers both affordability and sustainability as not opposing forces but as synergistic?

I attended the Utility and Review Board or UARB General Rate Application hearing sessions in September and listened to all stakeholders across sectors, including the

# Comments for Law Amendments Committee

**Peter Gregg, President and CEO, Nova Scotia Power Inc.**

October 31, 2022

*Check Against Delivery*

Good morning/afternoon/evening Chairman Johns and Committee members. Thank you for the opportunity to provide some context regarding the proposed legislation that amends the Public Utilities Act.

Our customers are at the centre of everything we do, and we take very seriously our role as a regulated utility with a mandate to serve Nova Scotians. Nova Scotia Power employs more than 2000 Nova Scotians who live and work in communities right across this province. They work extremely hard, every day, to deliver electricity reliably and safely, along with the more than 4500 local businesses and contractors who work with us to build and maintain the grid.

I am immensely proud of their contribution to our company and province. Each and every one of these employees is a customer too, balancing the same concerns about cost of living, reliability and the environment.

There is no question that this is a hard time for many Nova Scotians. Costs are up across the board and an increase to electricity rates can make things harder for the people out there who are already stretching their budgets to the limit.

But we know too that Nova Scotians also want to know their power will always on and ready for them. To trust that the system can withstand the impacts from more frequent and more severe storms. We know Nova Scotians want to do their part to fight climate change, by investing now to end the use of coal in this province as soon as possible and to have a grid operating with 80% renewable resources by 2030.

Nova Scotians want this.

Nova Scotia Power wants this.

This Nova Scotia government wants this.

The federal government wants this.

And this. Costs. Money.

These are the investments that NSP put forward in the regulatory process. This is the future that NSP wants for Nova Scotia. These are the investments this legislation constrains, delays or cancels, for what would ultimately amount to an increase of \$15 per month for the average household by 2024.

No one here is saying that \$15 per month is pocket change. What we are saying is that we need to have a clear conversation of what we're actually saving here. This legislation puts Nova Scotia's reliable and clean energy future at risk.

Our original request to the UARB was a 2.8% increase in each of 2022, '23 and '24. Over 90% of the UARB application was to fund costs and invest to improve reliability and remove coal from Nova Scotia's energy mix.

The aggregate 1.8% cap over this same three-year period translates to effectively 0.6% per year in additional support for the system. At well below the rate of inflation, this is a reduction in real dollars. Unfortunately, this will not be enough for NSP to make the investments required to achieve what customers are asking us to do for the system. It will prevent NSP from even keeping up.

This is an arbitrary cap that will result in a \$150 million reduction to revenues over 2023 and 2024 compared to what was submitted in the GRA. Just like any business faced with a reduction in revenues, costs will have to be reduced to adjust.

We've been asked to meet some important and specific targets for Nova Scotians. At this time, the grid needs support. It needs work to protect our customers from undue outages resulting from aging infrastructure and from the impacts of the increasing frequency of more severe weather. It needs investment to meet our clean energy targets. This is important work. It's work we want to do.

NS Power did not make its submission lightly. We know what it takes to achieve the goals that everyone wants. We know because we are the ones doing the work.

Over the past 20 years Nova Scotia Power has become one of the most efficiently run utilities in North America. When Nova Scotia Power submitted its rate application earlier this year, it was the first one filed by NSP in more than a decade.

After ten years of driving greater efficiencies with new technologies and business processes, there are no more efficiencies to find while still maintaining and improving service levels and the performance of the grid.

The global economy has impacted markets and investors' risk tolerance, which the announcement of this legislation has made more challenging. The immediate reaction of credit rating agencies and the approximate \$1 billion reduction in Emera's market capital directly caused by this legislation in the few days since its introduction is tangible proof of investors' reaction. These market reactions directly result in higher cost for future investments.

The need to make further investments in Nova Scotia's electrical system is real.

If we don't immediately start funding the transition Nova Scotians want, we are ignoring our collective responsibility to do better. So, there is a choice to make. You can support Bill 212 or you can support 2030 climate goals, but you can't logically support both.

## Regulator

The independent regulator is an integral part of how the utility operates fairly and justly, ensuring that consumers receive safe, reliable and cost-effective service. Nova Scotia's regulatory process is overseen by a politically-independent body in the UARB, designed to ensure the long-term best interests of customers are achieved without political influence or interference.

The Government of Nova Scotia proposes to use a legislative tool to override a politically independent process to, in the government's words, protect ratepayers. Let's be clear: This legislation delays and increases the inevitable cost of the work we all agree needs to get done for our customers, for our environment and for our future. Delaying these investments is not a solution, and it ultimately results in higher, not lower costs for customers.

More than 30,000 pages of evidence and expert testimony – including strong and expert customer advocacy – were provided for the UARB's consideration on the GRA, with an expected decision just weeks away.

This legislation undermines decades of strong, independent regulation of a cost-of-service utility by the provincial regulator. This form of regulation has repeatedly been proven to be the most cost-effective model for delivering energy to customers.

Regulatory independence is a key determinant of sound decision making across the utility sector, globally. This kind of interference in the oversight of an electric utility is unprecedented in North America and it's unprecedented for a reason. It results in worse outcomes for customers over time, and it sends the message that Nova Scotia is not a stable and reliable jurisdiction for business investment.

You don't need to take my word for it. S&P Global Ratings, an independent credit rating agency, described the impact of the government's proposed legislation earlier this week:

I quote: "Regulatory independence is one of the key attributes that underpins the credit quality of the utility industry. If the proposed legislation is passed, it would override Nova Scotia's robust regulatory process. Under our base case, we expect that utilities operate under a regulatory system that is sufficiently insulated from political intervention to efficiently protect the utility's credit risk profile **even during stressful events.**" *{emphasis added}*

In terms of our customers, we know that news of a capped rate increase has been, in many cases, well-received. But many other customers recognize the long-term, painful consequences to this apparent short-term gain. They worry about the impact of coal-fired generation on our environment. They worry about the more frequent and intense storms hitting our coast. They worry small savings now lead to bigger costs later. We've heard some of their voices, and they are concerned.

It must be understood that there are serious consequences to this amendment.

Major storms in our province are becoming more intense and more destructive and they are getting more frequent. There are additional costs required to protect the system from them. There are costs to meet governments' mandated targets of closing coal plants and adding renewable energy to make our generation mix 80% renewable by 2030.

As a result of this legislation, the plan to achieve these goals – the plan that we developed with our stakeholders and customer representatives through the Integrated Resource Planning process – can no longer be funded. There is no cost-effective Plan B.

We are turning to our people who work every day to deliver a safe, more reliable and greener grid to Nova Scotia, to understand the exact impacts of the government's interference with the regulatory process, and what it means for what we realistically can – and cannot – achieve as we move forward with the constraints put on us by this government.

This legislation forces difficult and damaging changes to the plans for Nova Scotia's grid in a way that inhibits the ability to deliver a more reliable, storm-hardened and greener system for customers.

**Here is what we know of the impacts of Bill 212 so far:**

- It will remove over half a billion dollars of investment from Nova Scotia's economy over 2023 and 2024, with significant negative downstream impacts on local suppliers and a direct impact on hundreds of jobs in Nova Scotia.  
It will break the regulatory structure that allows Nova Scotia Power to attract debt capital at the lowest possible cost. Already, as noted earlier, bond rating agencies S&P and DBRS have published ratings reports stating our utility is at risk of a downgrade "of one or more notches". That will increase the cost of debt for NSP's customers, potentially for decades, and will wastefully de-fund reliability initiatives. The first year impact of a two-notch downgrade on NSP would be approximately \$6.5 million per year, and once all of NSP's \$3 billion of debt was repriced on this basis, would be \$20 million more a year – all to servicing debt, with zero offsetting benefits to customers.
- The federal and provincial legislated environmental targets are aggressive. Nova Scotia Power has been all-in on meeting them because it's the right thing to do. But we cannot meet them with rates that do not support the necessary work and which impair our ability to raise the debt and equity investments needed to get there.
  - » If the Nova Scotia government eventually moves to extend their legislated environmental target of 80% renewables beyond 2030, make no mistake: This legislation is the reason. Full stop.

- » The Atlantic Loop is the only realistically affordable way to transition off coal by 2030 and it cannot happen with the constraints of this legislation. Wind, solar and green hydrogen are wonderful, but they aren't nearly enough.
  - > The wind is not always blowing.
  - > The sun is not always shining.
  - > Green hydrogen technology is not near advanced enough to carry our system through the gaps of wind and solar and is, indisputably, far more expensive.
- » The federal government has been clear on the importance of the Atlantic Loop as a regional project and its interest in participating which could represent meaningful financial support that will go 100% to the benefit of customers to reduce the cost of closing the coal plants in Nova Scotia. Based on our understanding of potential federal government support, we believe any alternative will cost Nova Scotian customers at least \$2 billion more.
  - > THIS is the reason this plan to close the coal plants in Nova Scotia is the most cost effective for Nova Scotians in comparison to any other alternative. But this legislation effectively precludes NSP's ability to continue its participation. It also extends the timeline that NSP customers are subjected to the volatile cost of fossil fuels, and the cost of carbon taxes.

This is the reality of the situation. None of this is news to the government.

We have a long history of working with government and stakeholders, and firmly believe the best outcomes result from a collaborative effort to find solutions to the challenges we all face as Nova Scotians.

We prepared our case to work through the regulatory process. We wanted to work with the Government and customer representatives to find solutions that would alleviate cost of living concerns while keeping Nova Scotia's clean energy plans intact. We still want to do that.

Let's be clear - the consequences of this legislation are not temporary. There will be real, long-lasting impacts for our customers and for the financial health of the utility.

NS Power will, as always, remain focused on our customers to provide the best levels of system performance, safety, and service it can within the cost constraints imposed by this proposed legislation. We continue to stand willing and ready to engage with partners and government to find solutions that will meet the expectations of Nova Scotians, including our collective desire for a greener, more prosperous, and more environmentally and economically stable future.

In closing, we would urge the government to carefully reconsider this legislation and work with us on an alternate path that truly does serve our customers without the need for damaging and expensive consequences that this legislation imposes on Nova Scotians.

Thank you.

Consumer Advocate, Small Business Advocate, statements from the Industrial Group, and opening statements from leaders of the provincial government and Intervenors speaking to affordability. These advocates serve important roles in holding the UARB accountable to the people of Nova Scotia.

The Ecology Action Centre has released positions on coal phaseout and greening the grid with renewables such as wind and solar, and are advocating for the province of Nova Scotia to align with the Federal commitment of net-zero electricity by 2035. For decades we have also advocated for investment in Demand Side Management as one of the best and most affordable options, which increases efficiency of the grid and decreases the amount of energy needed by consumers. An increase in funding for demand side management which supports low and medium income households in decarbonizing is essential.





The EAC does not see the current amendments proposed to Bill 212 as sufficient to protect Nova Scotians from increasing prices of fossil fuels, and would propose those gathered here today support a much more holistic update to the Utilities Act. We strongly recommend adding a Sustainability Advocate to the UARB process – alongside the important consumer advocate – as well as including a Sustainability Mandate within the act. Systems thinking will be needed to ensure that the large transition to clean green electricity which is needed in Nova Scotia will be inclusive of all, and not place an undue burden on those who are experiencing energy poverty. Therefore we would propose the Utilities Act be amended to ensure that a systemic view is used, and that climate action and impacts are mainstreamed within the act. A Sustainability Advocate and Sustainability Mandate would ensure that decisions made resulting from the act ensure emissions reductions and affordability for consumers go hand in hand and are prioritized within all spending and decision making. We call on the Nova Scotia government to include this modification, and work out details within the upcoming release of the Climate Plan for Clean Growth, which is slated for release by the end of 2022.

Thank you for taking the time to hear our recommendations for your considerations today.

Sincerely,  
Jacob Thompson B.A.Sc. M.Sc.  
Energy Coordinator, Ecology Action Centre  
jacob.thompson@ecologyaction.ca | 1-902-442-0199



**Peter Polley**  
**Polycorp Properties Inc.**

**Law Amendments Committee**  
**Nova Scotia Legislature**  
**October 31, 2022**

Bill 212 Public Utilities Act

I am happy to be here today to speak in favour of Bill 212.

I live in Nova Scotia. I pay taxes in Nova Scotia. Through my company, Polycorp, I provide quality, reasonably priced rental housing for Nova Scotians.

I am a customer of Nova Scotia Power.

Bill 212 will help our rental housing business navigate very difficult times for our own portfolio and the rental housing industry as a whole.

This coming winter is going to be painful for those that own rental properties.

Polycorp owns some properties where furnace oil alone will cost us more than 50% of the total gross rental receipts collected.

Heating costs will be up by several hundred percent from the previous highs in previous bad winters.

On top of the furnace oil, we have water, insurance, maintenance, property taxes and other operating costs that are increasing approximately 5 to 10% per year, compounded annually.

Then, there is our mortgage.

Our mortgage will see its interest rate triple when it is renewed in December.

These properties will be losing money, even when one adds back the mortgage principal reduction.

We do not have much for overhead or head office expenses, and we certainly don't charge the little that we have back to the properties when we are talking about these operating losses.

We don't charge the properties from non-arms length sister companies for routine maintenance that is intrinsic to building operations to skim a separate level of profit out of the property operations to report these losses.

We don't accumulate interest to ourselves for our investment in the properties, or previous years' operating losses and having to subsidize them in previous years, albeit it to a lesser degree.

I am talking about actually losing money.

The old fashioned way - actually losing cash money.

Or burning cash - so that there is no ambiguity. In a sizeable way.

There are no management fees, no salary for me or our accountant, no charge back for a fancy office. Real, actual operating losses at the property level that we need to subsidize from other business units in our organization.

We used to seek opportunities to have more of these older properties that provided a reasonable return, that were low risk, and that we could rent out at reasonable rent levels.

We can't afford to do that anymore.

In the past, we held the rent down for seniors and other residents on low or fixed income because we could afford to do so.

Now we can't and don't anymore.

Government policy that unfairly targets rental housing providers is actually making the housing crisis worse.

There are fewer affordable rental homes for more people looking for a place to live.

Because rental housing providers like me and many others cannot afford to lose money because of the rent cap.

Our company would be absolutely ecstatic to get what Nova Scotia Power is receiving under Bill 212.

Our company - like many other rental housing providers - would love to be able to recover energy costs from our customers, our residents, like Nova Scotia Power still can under Bill 212.

But we can't in the rental housing industry.

We aren't allowed because of the rent cap imposed by the previous government and extended by the current government.

There's no fuel adjustment mechanism for residential rental housing providers.

We applaud the government for capping the cost of electricity under Bill 212.

Affordable housing is dying a death by 1000 cuts.

Bill 212 will make one of those cuts not quite as deep as it could have been.

The government was not worried about us and our future capital requirements when the rent cap was put in place.

Those same buildings need new roofs.

To pay for a new roof, we will just have to dig deeper and pay for it out of our other resources, decreasing our business's equity. Equity that we worked for thirty years to build, taking risks that would be unfathomable to most people. Equity slowly accumulated with unguaranteed results and returns.

This is the way that most businesses need to suffer when times are tough, like they are in the rental housing business in Nova Scotia now.

We know that the government is in a tough spot trying to fix the housing supply mess while juggling a lot of other priorities.

We recognize that Nova Scotia Power and Emera are now less likely to invest in solutions to meet our renewable energy targets by 2030.

I have a solution. Let rental housing providers make investments in our properties to get off carbon.

Let us install solar to make electricity to heat these properties, and to help back-feed the grid.

If Nova Scotia Power is no longer able to sufficiently invest in renewables to comply with 2030 targets, create a regulatory framework to let the rental housing sector make the investment.

We can reduce the operating costs in these properties and help the province meet its renewable energy requirements simultaneously.

Some people claim: “Nova Scotia’s electric grid can’t afford large scale solar power for apartment buildings.”

My response is: “Our apartments can’t afford the Nova Scotia electric grid’s electricity”.

I can’t afford a tree falling on a building due to a hurricane.

We all can’t afford spending billions of dollars in provincial infrastructure to mitigate future damages due to climate change.

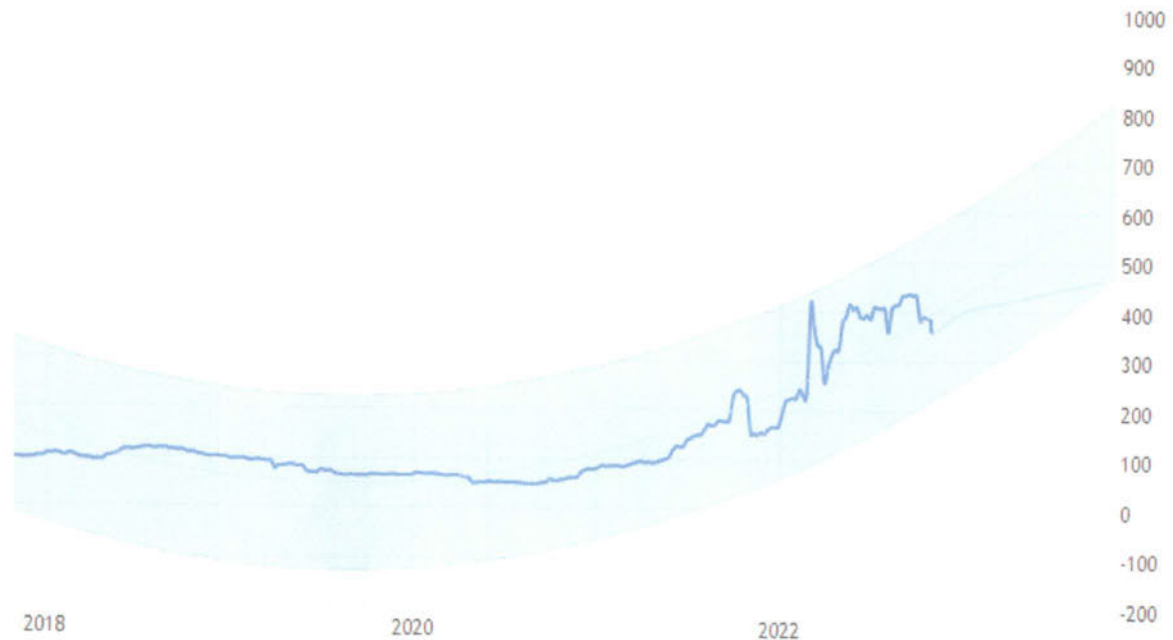
Companies like ours can do so more to increase solar energy use.

We don’t have to put all our hopes with Nova Scotia Power and Emera.

We don’t have to the watch the world burn down around us.

I’ve seen the graphs for the projections of the future price of coal. Let’s take a minute to look at the graph below:

## Coal Price Forecast:



Source: [Coal - 2022 Data - 2008-2021 Historical - 2023 Forecast - Price - Quote - Chart \(tradingeconomics.com\)](https://tradingeconomics.com)

While Bill 212 is good to limit the increase to 1.8% per year, the shape of that graph is scaring me as it appears that we are all going to have to face this graph for years to come.

Let's put companies beyond Nova Scotia Power to work on making major investments by businesses like ours in solar and other renewables to change things for the better!

Thank you



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Halifax, NS B3J 2X2 Canada tel: 902.420.3200 fax: 902.420.1417 stewartmckelvey.com

File Reference: SM002557-156

Nancy G. Rubin, K.C. &  
Dylan A.F. MacDonald

October 31, 2022

**Standing Committee on Law Amendments**

Red Chamber  
Province House  
1726 Hollis Street  
Halifax, NS B3J 2Y3

Dear Committee Members:

**Re: Submissions on Bill 212 on behalf of the Industrial Group to the Nova Scotia Law Amendments Committee**

Please accept this letter as submissions on behalf of the Industrial Group in regard to the proposed Bill 212 An Act to Amend Chapter 380 of the Revised Statutes, 1989, the *Public Utilities Act*.

We act for customers of Nova Scotia Power Inc. who take service under Large and Medium Industrial classes. They are known collectively as "the Industrial Group" and this group has been intervening in Nova Scotia Power's rate cases and other regulatory proceedings for approximately 20 years.

Energy (along with materials and labour) is among the largest cost input to a business; therefore, businesses are deeply interested in the rate-making process.

Members of the Industrial Group, like every other customer of Nova Scotia Power, prioritize reliable, green energy. They also want cost-effective energy. Reliability is an ongoing effort; it is not just restoration after a storm, it is day-to-day and includes energy that is delivered to sensitive equipment that does not sag or flicker and shut down operations.

We say "cost-effective energy" not "low-cost energy" because the Industrial Group recognizes that there are costs associated with reliability investments and costs associated with transitioning to green energy.

The Nova Scotia Utility and Review Board (the "NSUARB") is an independent board that regulates those costs as proposed by public utilities, including Nova Scotia Power.

Board members have expertise in law, engineering and accounting. They are assisted by staff with professional credentials.

Nova Scotia Power is currently in the middle of a General Rate Application to set electricity rates for the next two years. It is the first such hearing in 10 years. All of the evidence has been submitted and all that remains are legal submissions and for the Board to render its decision.

4155-7881-8369

There are approximately 30,000 pages of evidence on the record and the Board has heard from approximately 30 experts in their respective fields.

There were nine days of hearings in that General Rate Application.

The Board members making the determination of just and reasonable rates to provide service to customers in Nova Scotia have reviewed every piece of evidence, sat through the cross-examination of Nova Scotia Power and its consultants and assessed the witnesses' credibility and reliability.

Based on the General Rate Application process, the Board is well equipped and well informed to set just and reasonable rates so that customers receive safe and reliable service and the Province is on the path to green energy. It has regulatory tools to moderate rate impacts.

Setting a maximum rate by statute may have unintended consequences for ratepayers for years to come – whether it is deferring capital projects that lead us to more reliable and green energy or whether it is a downgrade by the bond rating agencies and associated increase in the cost of debt.

The Industrial Group is concerned about the potential long-term implications of Bill 212. If the outcome is an erosion in Nova Scotia Power's ability to deliver reliable, cost-effective electricity to its customers, while meeting mandated environmental targets, the Industrial group questions whether the government has specific plans to address this potential gap. And, based on this legislation, what the expected role of the regulator will look like now and going forward.

Respectfully yours,



Nancy G. Rubin, K.C.  
Partner

Dylan A.F. MacDonald  
Associate

DAFM/gs



CARRIED

**Bill #212**  
**Public Utilities Act (amended)**

CHANGES RECOMMENDED TO THE  
LAW AMENDMENTS COMMITTEE  
BY THE MINISTER OF NATURAL RESOURCES AND RENEWABLES

**PAGE 1, Clause 3, proposed clause 64A(3A)(b) - delete "distribution".**

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# Can Nova Scotia Power Be Reformed?



A response to amendments proposed in Bill 212 and Bill 208

Presented by Tynette Deveaux, Beyond Coal Atlantic Campaign, Sierra Club Canada  
October 31, 2022

## **Bill 212, Public Utilities Act**

I'm pleased to see that this bill puts a stop to NS Power's [Payday Loan scheme](#), in which the company made millions off of deferred fuel costs.<sup>1</sup>

The legislation has also successfully communicated to Nova Scotia Power and Emera that its juicy profits days are numbered.

However, it does not address the high cost, which Minister Rushton says are "unavoidable."<sup>2</sup> According to NSPI, its forecasted fuel costs for 2023–24 could increase customer rates by 26 percent. They left out that little detail in their submission to the Utility and Review Board (UARB), but fortunately the Intervenors requested it.

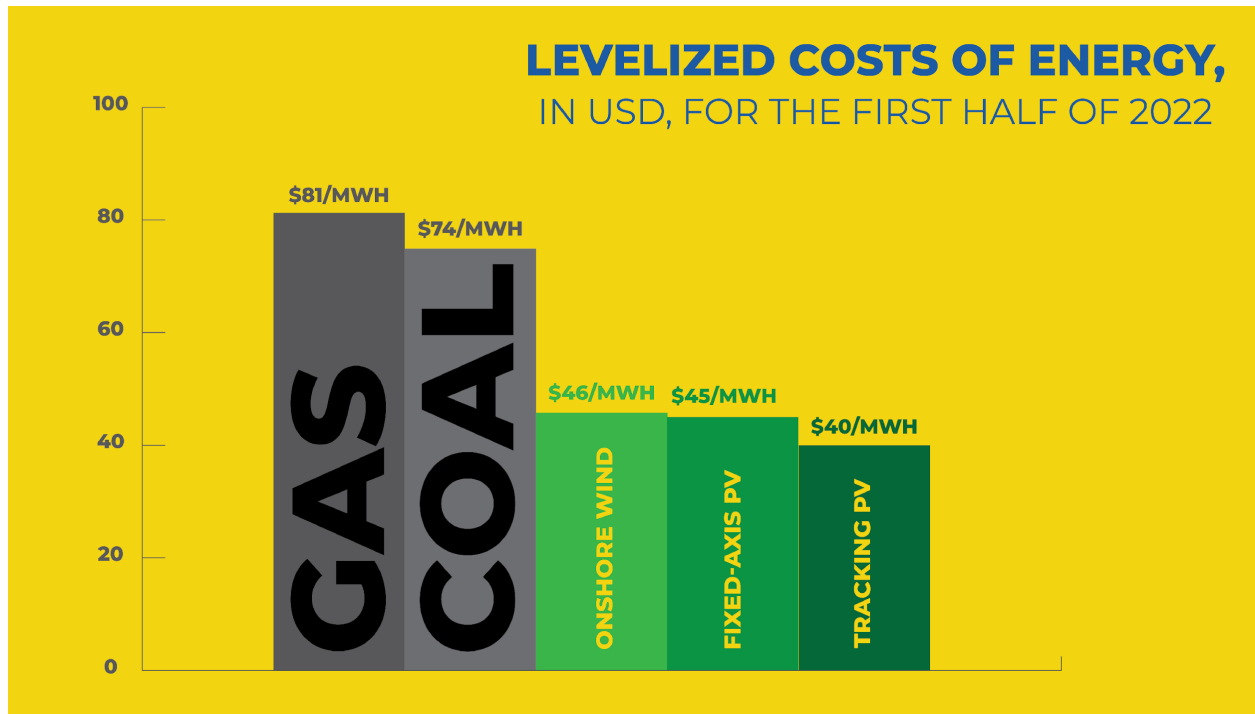
Obviously, a 26 percent rate hike is not going to go over well with the public. In fact, those are the kind of power rate increases that cause governments to lose elections.

Whether these fuel costs are passed on in real time to customers or some of the costs are deferred (further burdening the younger generation), the fact is coal, oil, and natural gas are extraordinarily expensive.

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<sup>1</sup> News release: Legislation Addresses Power Rates, Profits, October 19, 2022: "financing for any deferred costs is limited to the current Bank of Canada police rate plus 1.75 percent."

<sup>2</sup> Ibid



[BloombergNEF, June 30, 2022](#)

Every day that NS Power delays the transition to low-cost wind and solar power means that Nova Scotia Power's customers are faced with skyrocketing power bills, even though *we know* clean renewable energy is much cheaper.

So why am I harping on this? Because this legislation really does nothing to compel Nova Scotia Power and Emera to accelerate the transition to low-cost, renewable energy. Some of you may be thinking that the amendments to the Environment Act in Bill 208 will address that. I'll get to that in a moment.

First, I want to highlight NSPI's 10-Year Systems Outlook,<sup>3</sup> which the company released at the end of June – so 4 months ago.

In 2024-2025, NSPI intends to convert one of its units at Point Tupper from coal to gas (150 MW); it refers to gas generation as “combustion turbines” (it’s not unlike referring to cars that use gas—i.e., fuel—as internal combustion engine vehicles

In 2025-2026, NSPI says it will add 150 MW of gas generation

In 2026-2027 +50 MW of gas-generation

In 2027-2028 +200 MW of gas generation

<sup>3</sup> 2022 10-Year System Outlook, Nova Scotia Power Inc, June 30, 2022, pgs 19–20

In 2027-2028 +250 MW of gas generation

2030-2031 +50 MW of gas generation

In 2029-2030, NSPI says it will import 550 MW of electricity via the Atlantic Loop

Yet the Atlantic Loop does not have the necessary agreements or funding in place to begin construction. There's no plan B in the event the plan falls through—for example, if Emera's CEO has a meltdown and says he's pressing pause on the Loop, or if it's not possible to get an agreement with all parties involved, including First Nations in all four provinces.

The 10-Year System Outlook does indicate that NSPI plans to add wind and battery storage. However, that's not going to undo the **high cost of adding 850 MW of gas generation** to the grid.

There's also the environmental impact of bringing more gas onto the grid. Last year, the International Energy Agency (IEA), which is normally a pretty conservative body, released its groundbreaking report, [Net Zero by 2050: A Roadmap for the Global Energy Sector](#).

The Executive Director of the IEA, who is also one of the world's foremost energy economists, [summed up](#) the key takeaway from the report: "If governments are serious about the climate crisis, there can be no new investments in oil, gas and coal, from now – from this year."

That was a year and a half ago (May 2021). The Agency has now released its [2022 Energy Outlook Report](#), in which it says, "The environmental case for clean energy needed no reinforcement, but the economic arguments in favour of cost-competitive and affordable clean technologies are now stronger – and so too is the energy security case."

NSPI claims that gas is a "bridge" fuel and that gas does not "significantly contribute to greenhouse gas emissions."<sup>4</sup>

The science and data behind gas tell us otherwise. [Oil Change International](#) reports: "The myth of gas as a 'bridge' to a stable climate does not stand up to scrutiny. While much of the debate to date has focused on methane leakage, the data shows that the **greenhouse gas emissions just from burning the gas itself are enough to overshoot climate goals.**"

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<sup>4</sup> Nova Scotia Power 2020 Integrated Resource Plan, p. 22

## Bill 208, Environment Act

Let's segue now to Bill 208, which proposes an output-based pricing system that will put a price on carbon emissions for large industrial emitters in the province, notably NSPI.

Minister Halman says "this places a compliance cost on industry," and that it is *not* a tax.<sup>5</sup> Presumably, this government is holding out this new compliance cost as a carrot, rather than a stick.

So the idea is to create a financial incentive for large emitters like NSPI to reduce their greenhouse gas emissions.

There are several fatal flaws with this approach:

- Incentives make sense when you're dealing with stuff that you'd like to bring about but can live without. For example, you might come up with incentives to go on a diet. But it doesn't make sense to take an incentive-based approach with something as essential as electricity. Part of what's essential is that electricity needs to be affordable and reliable, which is no longer possible with fossil fuels.
- Not all large greenhouse gas polluters in the province are included under this bill. For example, the Donkin coal mine, which reopened last month in Cape Breton, is exempt.

In 2019, Kameron Coal, which operates the mine, reported CO<sub>2</sub> emission-equivalents of 423,000 tonnes,<sup>6</sup> making it one of the largest greenhouse gas emitters in the province. It shut down operations at the end of March 2020, but even though it wasn't producing coal for most of 2020 the company reported 371,000 tonnes of CO<sub>2</sub> emission-equivalents.<sup>7</sup> What's more, methane (CH<sub>4</sub>) accounted for most of those emissions. Methane is a supercharged greenhouse gas: a tonne of methane is equivalent to between 84 and 87 tonnes of CO<sub>2</sub> over a 20-year timeframe (see International Energy Agency's [World Energy Outlook 2017](#), p. 405).

The Donkin mine is the largest methane producer in the province, yet it's currently allowed to self-report its emissions to the government. It's also not covered under the province's cap-and-trade agreement, which is supposed to apply to industries that exceed 50,000 tonnes of CO<sub>2</sub> equivalents. In short, the Donkin mine polluted big time, is still doing so, and is getting off scot-free.

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<sup>5</sup>[https://nslegislature.ca/legislative-business/hansard-debates/assembly-64-session-1/house\\_22oct19#HPage3687](https://nslegislature.ca/legislative-business/hansard-debates/assembly-64-session-1/house_22oct19#HPage3687)

<sup>6</sup> [Kameron Coal Community Liaison Committee- Meeting Minutes](#), June 8, 2022

<sup>7</sup> Go to <https://climate-change.canada.ca/facility-emissions/> and enter 2020 and Nova Scotia to pull up a data list that includes the Donkin mine (Kameron Collieries).

- The Donkin mine isn't the only large carbon emitter that will continue to fall through the giant cracks in the carbon accounting system—and Bill 208 does not resolve that.

Will Bill 208—and Bill 212—succeed in getting Nova Scotia Power (and its parent company, Emera Inc.) to transition to lower cost, clean renewable energy, thereby protecting Nova Scotia customers? Not likely.

The country of Dominica didn't think so, either, so in March of this year, Dominica regained majority ownership of its power utility from Emera Caribbean.<sup>8</sup> The government did so because it wanted to transition to clean renewable energy, and it simply wasn't possible under Emera's ownership. The country's geothermal capacity is particularly strong,<sup>9</sup> yet under Emera's ownership, the country was entirely dependent on imported oil for electricity.

The Prime Minister of Dominica announced in March, "As part of our vision for a Dynamic Dominica, we are pursuing greater efficiency in electricity generation to meet our national target of 100 percent clean, carbon-neutral energy by the year 2030."<sup>10</sup>

**The Nova Scotia government stands at a crossroads.** You can continue with the sticks and carrots to try to coax NSPI and Emera along, but it will never resolve the fundamental conflict of interest at the heart of the transition to affordable clean energy: Emera shareholders come first. Emera and Nova Scotia Power are doing what corporations do—they're maximizing profit. And there's simply not as much profit in building wind and solar infrastructure.

Affordable energy means renewable energy. Energy security means local renewable energy. Energy reliability means decentralized and diversified renewable energy. Bills 208 and 212 are talking around the problem, but they aren't fundamentally addressing it.

**We need a thoughtful and democratic pathway forward**, one that respects the science on climate change and the economics on fossil fuels and renewable energy.

We need energy democracy.<sup>11</sup>

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<sup>8</sup> [Emera Caribbean Announces Sale of Its Majority Shareholding in Dominica Electricity Services Limited; Dominica regains majority ownership of DOMLEC - CNW Network](#)

<sup>9</sup> [Islands Energy Snapshot - Dominica \(Fact Sheet\)](#)

<sup>10</sup> [Dominica regains majority ownership of DOMLEC - CNW Network](#)

<sup>11</sup> [Energy Democracy - Beyond Climate Promises](#)

# Making Cents of Rising Electricity Costs



A response to amendments proposed in Bill 212 and Bill 208

Presented by Tynette Deveaux, Beyond Coal Atlantic Campaign, Sierra Club Canada  
October 31, 2022

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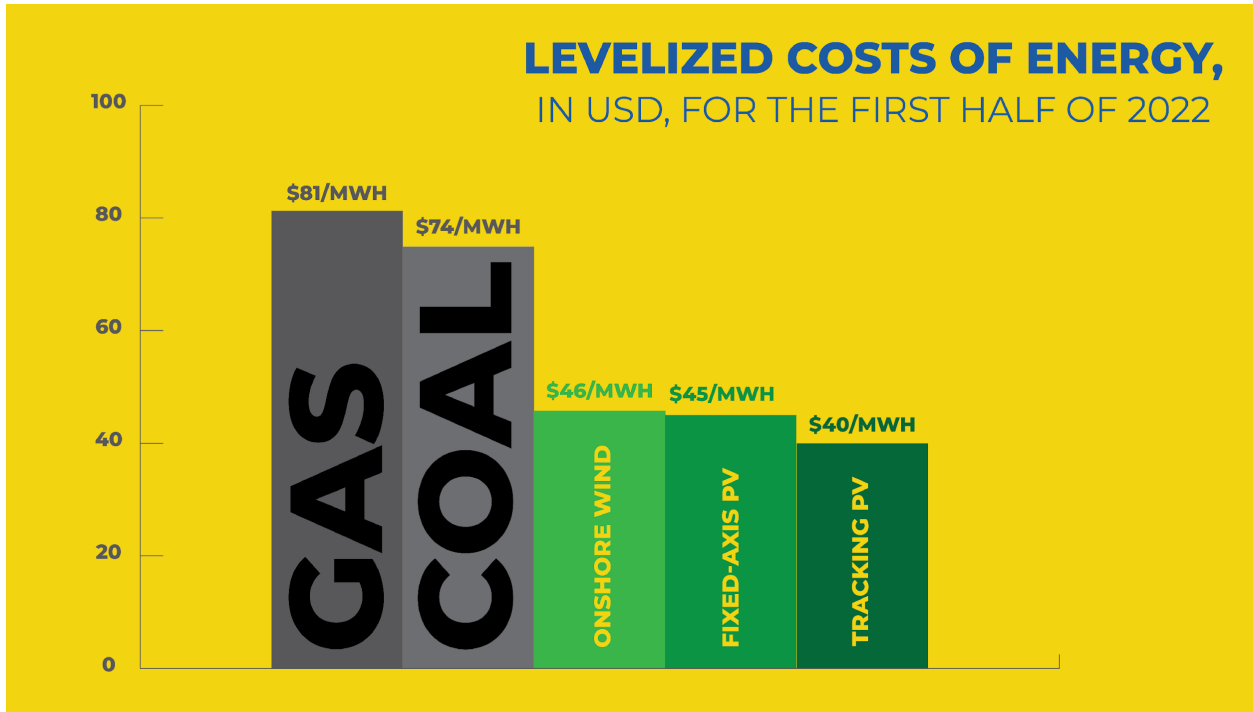
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The Donkin mine is the largest methane producer in the province, yet it's currently allowed to self-report its emissions to the government. It's also not covered under the province's cap-and-trade agreement, which is supposed to apply to industries that exceed 50,000 tonnes of CO<sub>2</sub> equivalents. In short, the Donkin mine polluted big time, is still doing so, and is getting off scot-free.

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<sup>5</sup>[https://nslegislature.ca/legislative-business/hansard-debates/assembly-64-session-1/house\\_22oct19#HPage3687](https://nslegislature.ca/legislative-business/hansard-debates/assembly-64-session-1/house_22oct19#HPage3687)

<sup>6</sup> [Kameron Coal Community Liaison Committee- Meeting Minutes](#), June 8, 2022

<sup>7</sup> Go to <https://climate-change.canada.ca/facility-emissions/> and enter 2020 and Nova Scotia to pull up a data list that includes the Donkin mine (Kameron Collieries).

- The Donkin mine isn't the only large carbon emitter that will continue to fall through the giant cracks in the carbon accounting system—and Bill 208 does not resolve that.

Will Bill 208—and Bill 212—succeed in getting Nova Scotia Power (and its parent company, Emera Inc.) to transition to lower-cost, clean renewable energy, thereby protecting Nova Scotia customers? Not likely.

The country of Dominica didn't think so, either, so in March of this year, Dominica regained majority ownership of its power utility from Emera Caribbean.<sup>8</sup> The government did so because it wanted to transition to clean renewable energy, and it simply wasn't possible under Emera's ownership. The country's geothermal capacity is particularly strong,<sup>9</sup> yet under Emera's ownership, the country was entirely dependent on expensive imported oil for electricity.

The Prime Minister of Dominica announced in March, "As part of our vision for a Dynamic Dominica, we are pursuing greater efficiency in electricity generation to meet our national target of 100 percent clean, carbon-neutral energy by the year 2030."<sup>10</sup>

**The Nova Scotia government stands at a crossroads.** You can continue with the sticks and carrots to try to coax NSPI and Emera along, but it will never resolve the fundamental conflict of interest at the heart of the transition to affordable clean energy: Emera shareholders come first. Emera and Nova Scotia Power are doing what corporations do—they're maximizing profit. And there's simply not as much profit in building wind and solar infrastructure.

**Affordable energy means clean renewable energy. Energy security means local renewable energy. Energy reliability means decentralized and diversified renewable energy.** Bills 208 and 212 are talking around the problem, but they aren't fundamentally addressing it.

**We need a thoughtful and democratic pathway forward,** one that respects the science on climate change, the economics on fossil fuels and renewable energy, and the technology that exists today.<sup>11</sup>

We need energy democracy.<sup>12</sup>

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<sup>8</sup> [Emera Caribbean Announces Sale of Its Majority Shareholding in Dominica Electricity Services Limited; Dominica regains majority ownership of DOMLEC - CNW Network](#)

<sup>9</sup> [Islands Energy Snapshot - Dominica \(Fact Sheet\)](#)

<sup>10</sup> [Dominica regains majority ownership of DOMLEC - CNW Network](#)

<sup>11</sup> For a comprehensive discussion of today's energy technologies, see [What if the wind doesn't blow?](#), with Stanford Professor Mark Jacobson

<sup>12</sup> [Energy Democracy - Beyond Climate Promises](#)